



Annual Financial Report



Gateway

INDIANA

for government units



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The Indiana Gateway for Government Units provides a central commons for local units to submit their financial forms to the State of Indiana.

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Indiana State Board of Accounts
2019

AFR Preparation



- Year-End Closing
 - Posting
 - Reconciling
- Supplemental AFR's

Daily Balance Report



Form Prescribed by State Board of Accounts County Form 46 (Rev. 1993)

CLERK'S CASH BOOK AND DAILY BALANCE RECORD

Date of Balance _____, 19__

	BEGINNING BALANCE	RECEIPTS DURING THE DAY	DISBURSEMENTS FOR THE DAY	ENDING BALANCE
Payable to State:				
Court Costs				
State User Fees				
Family Violence Fees				
Highway Work Zone Fees				
Payable to County:				
Court Costs				
Fines and Forfeitures				
Infraction Judgments				
Support Fees				
Marriage Licenses - County Share				
Administrative Fees				
Document Fees				
Miscellaneous Fees				
Late Surrender Fees				
Interest on Investments				
Vehicle License (Add Ex. Judg.)				
Overweight Vehicle Fines				
County User Fees				
Supplemental Public Defender Services Fees				

SAMPLE



Monthly Report 46-CR

Prescribed by State Board of Accounts Form No. 46-CR
(Revised 1995)

MONTHLY REPORT - CLERK OF THE CIRCUIT COURT
Required by IC 33-17-2-8

MONTH ENDING _____ 19 ____ COUNTY _____

CHARGES: (Daily Balance Record and ISETS Daily Support Book)

1. Fees payable to the state	\$ _____	
2. Fees payable to the county	\$ _____	
3. Fees payable to the city or town	_____	
4. Trust funds	_____	
5. Support - ISETS	_____	
6. _____	_____	
7. TOTAL CHARGES	\$ _____	

CREDITS: (Daily Balance Record and ISETS Daily Support Book)

8. _____ BANK	\$ _____	
9. _____ BANK	_____	
10. _____ BANK	_____	
11. _____ BANK	_____	
12. Subtotal: Daily Balance Record (46) (Lines 8 thru 11)	_____	
13. ISETS Monthly Clerk's Support Record (248MCR)	\$ _____	
14. TOTAL DEPOSITORY BALANCES AS SHOWN BY RECORDS (Line 12 + 13)	\$ _____	
15. Investments on hand at close of business last day of month	_____	



Supplemental AFR's

Supplemental Annual Financial Report

RETURN THE COMPLETED FORM TO THE OFFICIAL OF THE GOVERNMENTAL UNIT BY JANUARY 20TH.

Name of Governmental Unit: _____	Contact Person: _____
Office Name: _____	Phone Number: _____
Year: _____	E-mail Address: _____

List all accounts/funds managed by this office

Fund Name	Beg. Investment Balance	Ending Investment Balance	Beginning Cash Balance	Other Receipts	Other Disbursements	Ending Cash Balance	New Fund

Certification: This is to certify that the data contained in this report is accurate and agrees with the financial records, to the best of my knowledge and belief.

Signature of Dept Official: _____ Title: _____

Supplemental AFR Review



- Considerations:
 - Who will do the review
 - How will review be documented
 - What procedures will be followed
 - Source Documents
 - How will corrections be processed

Questions



Risk Assessment



- Performed at beginning of audit
 - Updated throughout the audit
- Helps to determine focus of audit
- Helps to determine extent of testing

Internal Controls



- Addressing Internal Controls is an ongoing process
 - Establish policies (in writing)
 - Modify as needed over time



Internal Controls



Form 45 – Understanding Internal Controls

(04/18) Form 45 Reg UNDERSTANDING OF CONTROLS FOR SIGNIFICANT AUDIT AREAS/COMPONENTS

Instructions: The understanding of the unit's process for each significant audit area and component should be noted below. Based upon the understanding gained, answer the question below on whether the unit has proper segregation of duties or not. Additionally, inquiry must be made of the unit regarding their procedures for each audit area. This can be achieved by either printing this tab and giving it to the unit to verify or through inquiry of the official directly by the examiner.

While reviewing the procedures and considering the need to modify them for variances in the unit's actual system, consider the following related to the unit's IT system: (1) Do staff job functions provide adequate segregation of duties, (2) Do logon controls adequately identify the user logging onto the system, and (3) Does user access to system screens/functions match the user's job functions? These items should be considered when determining unit controls. If changes were made to the table on the SAA tab, be sure to modify the below tables to be reflective of the significant audit areas/components as determined on the SAA tab.

Account Balance(s): Cash and Investments Audit Area: Cash and Investments

Document the reconciliation routine for material account balances.

Reconciliation Routine

Reconciling and Reporting:

Based on the information obtained, does the unit have proper segregation of duties in this area?

Form 45 – Understanding Internal Controls



(04/18) Form 45 Reg Small Unit	UNDERSTANDING OF CONTROLS FOR SIGNIFICANT AUDIT AREAS
Instructions:	The understanding of the unit's process for each significant audit area and component should be noted below. Based upon the understanding gained, answer the question below on whether the unit has proper segregation of duties or not. Additionally, inquiry must be made of the unit regarding their procedures for each audit area. This can be achieved by either printing this tab and giving it to the unit to verify or through inquiry of the official directly by the examiner.
	While reviewing the procedures and considering the need to modify them for variances in the unit's actual system, consider the following related to the unit's IT system: (1) Do staff job functions provide adequate segregation of duties, (2) Do logon controls adequately identify the user logging onto the system, and (3) Does user access to system screens/functions match the user's job functions? These items should be considered when determining unit controls.
	If changes were made to the table on the SAA tab, be sure to modify the below tables to be reflective of the significant audit areas as determined on the SAA tab.

Form 45 – Understanding Internal Controls



Transaction Class: Receipts	Audit Area: Receipts
Document the flow of information for significant transaction classes.	
Flow of Information	
Initiating Authorizing:	<input type="text"/>
Recording and Processing:	<input type="text"/>
Reconciling and Reporting:	<input type="text"/>
Based on the information obtained, does the unit have proper segregation of duties in this area? <input type="checkbox"/>	

Form 45 Internal Controls



Transaction Class: Receipts	Audit Area: Clerk Receipts
Document the flow of information for significant transaction classes.	
Flow of Information	
<p>Initiating and Authorizing</p> <p>Clerk's Trust: Collections for filing fees, judgements, and fees/fines come over the counter, in the mail, and can be cash, money order, card or check. People can also pay traffic tickets online via public courts in gov. Payments are posted to the appropriate cause # and a receipt is printed for each transaction and given to the person making the payment, at the counter. Every clerk is given a bank bag with \$0.00. Every clerk opens a till to collect and post payments. At the end of the day, each clerk balances their till according to their till report printed from Odyssey. There is one cash drawer at the counter for all the clerks to use to make change. The cash drawer begins each day with \$330.00. It is counted 1-2 times each week. A tape is ran, verifying the \$330.00 is the amount.</p> <p>Child Support (ISETS): Payments for child support taken in the Clerk's office are cash only. All other types of payments would go through the state. The only check transactions accepted by the ISETs office were back support. The Clerk's office would receive the back support and the clerk would make a check out to ISETs. There are two employees in the child support office that take cash payments, Child Support Office Supervisor, and Second Deputy Clerk. They each have their own cash drawer and write their own deposit slips each day. Payments are posted at the time of transaction by the ISETs system. Second Deputy Clerk, takes the daily deposits to the bank along with the Clerk's Trust collections via police escort. The Clerk, then checks the ISETs report with the bank deposit to make sure they match. The Clerk then signs off on the reports.</p>	
<p>Recording and Processing</p> <p>Clerk's Trust: Each morning, the Chief Deputy, counts each individual till that has been balanced by each clerk at the end of the previous business day, the Chief Deputy balances each individual till to verify they match the amount listed in Odyssey. The deposits are then taken to the bank daily by Second Deputy Clerk. Each transaction is posted to the system prior to any report being printed. Transactions are reported on a daily cash report. A combination of office staff verify the deposit analysis for accuracy.</p>	
<p>Reconciling and Reporting</p> <p>Clerk's Trust: The reconciliations are performed by the Chief Deputy or the Office Manager each month when the bank statement is received and the reconciliation for trust is approved by the Clerk.</p> <p>Child Support (ISETS): Child Support Office Supervisor, performs monthly bank reconciliations in ISETs when the text file is received from the bank at the state so that auto reconciling of the checks can be done in the system. The ISETs reconciliation is prepared by Debra Settle and approved by the clerk.</p>	

Form 45 Discussion

**Cash and Investments**

Considerations: How does the reconciliation process work from start to finish? When the bank statement is received what happens? How often are reconciliations performed? Who prepares the reconciliation? Evidence of preparation? Who reviews/approves the reconciliation? Evidence of review/approval?

Unit Response**Receipts**

Considerations: How does the receipt process work from start to finish? In what ways do you receive money? Who writes receipts? Who posts/records receipts into the accounting system? Who prepares the deposit slip for the bank? Who takes the deposit to the bank? Anyone reconciling daily receipts to the deposit? Evidence of the aforementioned items?

Unit Response

Audit Findings



- Internal Controls
 - Federal Finding
- Non-Compliance
 - Statute
 - Uniform Compliance Guidelines

Findings



- Determine the Resolution
 - Understand the problem
 - Take corrective action – often requires establishing or modifying internal controls.

Repeat Findings



- IC 5-11-5-1.5
 - Finding in Report – Take corrective action
 - Level of findings – not all will be reportable
 - Finding is repeated in subsequent Report:
 - Corrective Action Plan filed with SBOA
 - Follow up by SBOA

Corrective Action Plan



- Packet will be given at exit conference
 - Templates
- 10 days to respond
 - Can ask for more time
- Six months to implement
 - Can ask for more time

Corrective Action



- The first step is to fully understand the issue.
- Second step to determine the root cause.

Corrective Action Plan



- Template on website
- Description of the corrective action
- Timeline for implementation
 - Focus on root cause, not on effect.

Corrective Action Plan



- SBOA review and approval
- Report when implementation is complete.
- SBOA follow up
 - Send in documents
 - On site follow up

Questions



RESOURCES



- County Directors

- Lori Rogers and Ricci Hofherr
- 317-232-2512

- Counties@sboa.in.gov
- www.in.gov/sboa/